

Delta Human Resource Agency

**For the Year Ended
June 30, 1997**

Arthur A. Hayes, Jr., CPA

Director

Barbara K. White, CPA

Assistant Director

Ronald E. Anderson, CPA

Audit Manager

Rew Sloan

In-Charge Auditor

Zack Barnum

Rafael Marrero-Ruiz

Teresa Kennedy

Staff Auditors

Erica V. Smith, CPA

Technical Analyst

Jane Russ

Editor

December 18, 1998

The Honorable Don Sundquist, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Board of Directors
Delta Human Resource Agency
Covington, Tennessee 38019

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Delta Human Resource Agency for the year ended June 30, 1997. You will note from the independent auditor's report that an unqualified opinion was given on the fairness of the presentation of the financial statements.

Consideration of internal control and tests of compliance resulted in no audit findings.

Very truly yours,

W. R. Snodgrass
Comptroller of the Treasury

WRS/sk
98/075

State of Tennessee

Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit
Delta Human Resource Agency
For the Year Ended June 30, 1997

AUDIT OBJECTIVES

The objectives of the audit were to consider the agency's internal control; to determine the fairness of the presentation of the financial statements; to determine compliance with laws, regulations, contracts, and grants; and to recommend appropriate actions to correct any deficiencies.

AUDIT FINDINGS

The audit report contains no findings.

OPINION ON THE FINANCIAL STATEMENTS

The opinion on the financial statements is unqualified.

"Audit Highlights" is a summary of the audit report. To obtain the complete audit report which contains all findings, recommendations, and management comments, please contact

Comptroller of the Treasury, Division of State Audit
1500 James K. Polk Building, Nashville, TN 37243-0264
(615) 741-3697

Audit Report
Delta Human Resource Agency
For the Year Ended June 30, 1997

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Delta Human Resource Agency For the Year Ended June 30, 1997

INTRODUCTION

POST-AUDIT AUTHORITY

This is a report on the financial and compliance audit of the Delta Human Resource Agency. The audit was conducted pursuant to Section 13-26-106, *Tennessee Code Annotated*, which states:

The annual report, including financial statements, and all books of account and financial records shall be subject to annual audit by the comptroller of the treasury. A human resource agency may, with the prior approval of the comptroller, engage licensed independent public accountants to perform the audits.

OBJECTIVES OF THE AUDIT

The objectives of the audit were

1. to test compliance with laws, regulations, contracts, and grants which could have a direct and material effect on the financial statements;
2. to consider the agency's internal control to determine auditing procedures for the purpose of expressing an opinion on the financial statements;
3. to determine the fairness of the presentation of the agency's financial statements;
4. to determine compliance with requirements applicable to major federal programs;
5. to test controls to evaluate the effectiveness of the design and operation of internal control policies and procedures applicable to major federal programs;
6. to determine the fairness of the presentation of the Schedules of Expenditures of Federal Awards, in all material respects, in relation to the agency's financial statements taken as a whole; and
7. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE AUDIT

The audit is limited to the period July 1, 1996, through June 30, 1997, and was conducted in accordance with generally accepted government auditing standards. Financial statements are presented for the year ended June 30, 1997, and for comparative purposes, the year ended June 30, 1996. The Schedules of Expenditures of Federal Awards and the Results of the Audit section are presented in accordance with the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

BACKGROUND AND ORGANIZATION

BACKGROUND

Tennessee's nine human resource agencies were created by Chapter 289 of the Public Acts of 1973, known as the Human Resource Agency Act of 1973, and operate under the authority of *Tennessee Code Annotated*, Title 13, Chapter 26, as amended. This legislation provides a regional system to deliver human resource programs in the state's counties and cities.

The Delta Human Resource Agency was established in February 1990 and comprises the following counties: Fayette, Lauderdale, and Tipton. The agency's administrative offices are in Covington, Tennessee.

ORGANIZATION

The governing body of the Delta Human Resource Agency is the board of directors. As of June 30, 1997, the board was composed of 34 members. (See Appendix.)

The agency's programs are carried out by a staff under the supervision of the executive director, who is appointed by the board of directors. For the year ended June 30, 1997, the major program in which the Delta Human Resource Agency was involved and the grantor agency that provided the major funding for the program is presented below.

Program
Public Transportation for
Nonurbanized Areas

Grantor
Tennessee Department
of Transportation

PRIOR AUDIT FINDINGS

There were no findings in the prior audit report.

RESULTS OF THE AUDIT

AUDIT CONCLUSIONS

Compliance and Internal Control Over Financial Reporting

As part of obtaining reasonable assurance about whether the agency's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In addition, in planning and performing our audit, we considered the internal control over financial reporting in order to determine our auditing procedures for expressing an opinion on the financial statements. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Fairness of Financial Statements Presentation

The Division of State Audit has rendered an unqualified opinion on the agency's financial statements. In our opinion, these financial statements present fairly, in all material respects, the financial position and the results of its operations as of and for the year ended June 30, 1997. Furthermore, in our opinion, the supplementary information included in the Schedules of Expenditures of Federal Awards is fairly presented, in all material respects in relation to the agency's financial statements taken as a whole.

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

April 17, 1998

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the financial statements of Delta Human Resource Agency as of and for the year ended June 30, 1997, and have issued our report thereon dated April 17, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Delta Human Resource Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management in a separate letter.

The Honorable W. R. Snodgrass
April 17, 1998
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Delta Human Resource Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However we noted other matters involving the internal control structure over financial reporting, which we have reported to management in a separate letter.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/sk
98/075

**Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in
Accordance With OMB Circular A-133**

April 17, 1998

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

Compliance

We have audited the compliance of Delta Human Resource Agency with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1997. Delta Human Resource Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the agency's management. Our responsibility is to express an opinion on Delta Human Resource Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delta Human Resource Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit

The Honorable W. R. Snodgrass
April 17, 1998
Page Two

does not provide a legal determination of Delta Human Resource Agency's compliance with those requirements.

In our opinion, Delta Human Resource Agency complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1997.

Internal Control Over Compliance

The management of Delta Human Resource Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Delta Human Resource Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the General Assembly of the State of Tennessee, the board of directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/sk
98/075

**Delta Human Resource Agency
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1997**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Reportable conditions identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes X no
- Reportable conditions identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes X no

**Delta Human Resource Agency
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1997
(continued)**

Identification of major programs:

CFDA
Number

Name of Federal Program or Cluster

20.509

Public Transportation for Nonurbanized Areas

Dollar threshold used to distinguish between Type A and Type B: \$300,000.00

Auditee qualified as low-risk auditee? X yes no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Independent Auditor's Report

April 17, 1998

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37243

Dear Mr. Snodgrass:

We have audited the accompanying financial statements of Delta Human Resource Agency, Covington, Tennessee, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of Delta Human Resource Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Human Resource Agency, Covington, Tennessee, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The Honorable W. R. Snodgrass
April 17, 1998
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 1998, on our consideration of Delta Human Resource Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying schedules of expenditures of federal awards on pages 24 through 27 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The Schedule of Funding Progress for Delta Human Resource Agency is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Sincerely,

Arthur A. Hayes, Jr., CPA, Director
Division of State Audit

AAH/sk
98/075

DELTA HUMAN RESOURCE AGENCY
COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997, AND JUNE 30, 1996

	June 30, 1997				June 30, 1996			
	Governmental Fund Types		Account Group	Totals (Memorandum Only)	Governmental Fund Types		Account Group	Totals (Memorandum Only)
	General	Special Revenue	General Fixed Assets		General	Special Revenue	General Fixed Assets	
ASSETS								
Cash in bank (Note 3)	\$ 307,403.50	\$ -	\$ -	\$ 307,403.50	\$ 161,611.55	\$ -	\$ -	\$ 161,611.55
Prepaid items (Note 6)	53.17	-	-	53.17	53.17	-	-	53.17
Accounts receivable:								
Due from grantor	-	257,245.25	-	257,245.25	-	82,750.80	-	82,750.80
Due from performance-based grants	14,794.14	-	-	14,794.14	9,681.95	-	-	9,681.95
Due from special revenue fund (Note 4)	172,074.16	-	-	172,074.16	55,421.38	-	-	55,421.38
Other receivables	-	22,785.96	-	22,785.96	-	-	-	-
Total accounts receivable	186,868.30	280,031.21	-	466,899.51	65,103.33	82,750.80	-	147,854.13
Fixed assets (Note 5):								
Furniture and equipment	-	-	134,517.53	134,517.53	-	-	69,199.63	69,199.63
Vehicles	-	-	420,723.34	420,723.34	-	-	293,241.65	293,241.65
Total fixed assets	-	-	555,240.87	555,240.87	-	-	362,441.28	362,441.28
Total assets	\$ 494,324.97	\$ 280,031.21	\$ 555,240.87	\$ 1,329,597.05	\$ 226,768.05	\$ 82,750.80	\$ 362,441.28	\$ 671,960.13
LIABILITIES, OTHER CREDITS, AND FUND BALANCES								
Liabilities:								
Due to general fund (Note 4)	\$ -	\$ 172,074.16	\$ -	\$ 172,074.16	\$ -	\$ 55,421.38	\$ -	\$ 55,421.38
Accounts payable	1,359.75	66,357.98	-	67,717.73	2,110.51	1,298.78	-	3,409.29
Accrued payroll	3,781.41	14,360.30	-	18,141.71	3,692.04	4,651.79	-	8,343.83
Accrued leave	19,211.31	-	-	19,211.31	12,953.47	-	-	12,953.47
Unearned grantor revenue	500.00	9,663.58	-	10,163.58	-	142.35	-	142.35
Due to grantors	-	1,140.19	-	1,140.19	18.00	1,583.50	-	1,601.50
Advances payable - Tennessee Department of Human Services	36,000.00	16,435.00	-	52,435.00	36,000.00	19,653.00	-	55,653.00
Total liabilities	60,852.47	280,031.21	-	340,883.68	54,774.02	82,750.80	-	137,524.82

DELTA HUMAN RESOURCE AGENCY
COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997, AND JUNE 30, 1996

	June 30, 1997				June 30, 1996			
	Governmental Fund Types		Account Group		Governmental Fund Types		Account Group	
Other credits:								
Investment in general fixed assets - special revenue fund (Note 5)	-	-	205,606.61	205,606.61	-	-	47,742.90	47,742.90
Investment in general fixed assets - general fund (Note 5)	-	-	349,634.26	349,634.26	-	-	314,698.38	314,698.38
Total other credits	-	-	555,240.87	555,240.87	-	-	362,441.28	362,441.28
Fund balances:								
Reserved fund balance - (Note 6)								
Transportation	194,611.62	-	-	194,611.62	-	-	-	-
Housing Opportunities Using State Encouragement	10,185.56	-	-	10,185.56	-	-	-	-
Prepaid items	53.17	-	-	53.17	53.17	-	-	53.17
Unreserved fund balance	228,622.15	-	-	228,622.15	171,940.86	-	-	171,940.86
Total fund balances	433,472.50	-	-	433,472.50	171,994.03	-	-	171,994.03
Total other credits and fund balances	433,472.50	-	555,240.87	988,713.37	171,994.03	-	362,441.28	534,435.31
Total liabilities, other credits, and fund balances	\$ 494,324.97	\$ 280,031.21	\$ 555,240.87	\$ 1,329,597.05	\$ 226,768.05	\$ 82,750.80	\$ 362,441.28	\$ 671,960.13

See accompanying Notes to the Financial Statements.

DELTA HUMAN RESOURCE AGENCY
COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 1996, AND JUNE 30, 1997

	June 30, 1997			June 30, 1996		
	General	Special Revenue	Totals (Memorandum Only)	General	Special Revenue	Totals (Memorandum Only)
REVENUES						
Grantor contributions	\$ -	\$ 1,371,349.11	\$ 1,371,349.11	\$ -	\$ 855,395.34	\$ 855,395.34
Performance-based income	119,742.05	-	119,742.05	108,216.06	-	108,216.06
State and local contributions	76,631.35	-	76,631.35	93,807.50	-	93,807.50
Interest income	7,622.61	-	7,622.61	8,032.75	-	8,032.75
Program income	-	427,538.34	427,538.34	-	1,950.00	1,950.00
Other income	12,992.70	91,361.99	104,354.69	205,451.50	-	205,451.50
Total revenue	216,988.71	1,890,249.44	2,107,238.15	415,507.81	857,345.34	1,272,853.15
EXPENDITURES						
Salaries	48,434.24	394,558.41	442,992.65	46,302.03	121,487.16	167,789.19
Fringe benefits	9,887.81	94,482.11	104,369.92	8,844.33	28,268.17	37,112.50
In-area travel	724.40	5,859.52	6,583.92	597.84	3,374.30	3,972.14
Out-of-area travel	1,227.21	2,203.52	3,430.73	1,527.94	1,954.99	3,482.93
Printing	438.17	3,039.55	3,477.72	1,634.85	1,635.66	3,270.51
Fixed asset purchase (Note 5)	34,935.88	157,863.71	192,799.59	308,371.65	-	308,371.65
Telephone	977.06	8,917.96	9,895.02	426.68	5,421.95	5,848.63
Dues, subscriptions, publications	1,990.00	217.50	2,207.50	1,890.00	-	1,890.00
Contracted services	1,229.33	74,799.88	76,029.21	1,143.02	34,904.47	36,047.49
Supplies	1,656.56	10,982.91	12,639.47	1,020.75	5,624.50	6,645.25
Maintenance	68.00	54,128.72	54,196.72	5,903.46	71,834.47	77,737.93
Vehicle fuel and maintenance	-	62,142.69	62,142.69	30.43	1,761.88	1,792.31
Training and technical assistance	800.92	4,106.55	4,907.47	2,268.96	1,894.32	4,163.28
Building and equipment rent	3,997.10	31,322.94	35,320.04	1,990.46	27,410.27	29,400.73
Food	420.70	17,102.37	17,523.07	64.55	14,313.17	14,377.72
Utilities	526.57	2,847.91	3,374.48	324.55	2,723.93	3,048.48
Postage	1,430.16	1,237.40	2,667.56	1,050.84	1,057.61	2,108.45
Insurance premiums	178.64	14,776.72	14,955.36	772.41	2,785.90	3,558.31
Client services program assistance	-	643,058.77	643,058.77	-	468,559.72	468,559.72
Leasehold improvements	-	722.25	722.25	-	-	-
Professional services	-	2,579.04	2,579.04	-	-	-
Audit	1,680.00	10,320.00	12,000.00	2,400.00	9,600.00	12,000.00
Annual leave expense	6,257.84	-	6,257.84	2,259.65	-	2,259.65
Indirect costs	8,609.15	122,987.03	131,596.18	13,979.00	116,394.09	130,373.09
Other	32.48	-	32.48	140.01	-	140.01
Total expenditures	125,502.22	1,720,257.46	1,845,759.68	402,943.41	921,006.56	1,323,949.97
Excess (deficiency) of revenues over (under) expenditures	91,486.49	169,991.98	261,478.47	12,564.40	(63,661.22)	(51,096.82)
OTHER FINANCING SOURCES (USES)						
Transfer of local unreserved funds to supplement grant expenditures	(34,805.20)	34,805.20	-	(63,661.22)	63,661.22	-
Transfer of special revenue funds to set up reserve for Transportation	194,611.62	(194,611.62)	-	-	-	-
Transfer of special revenue funds to set up reserve for Housing Opportunities Using State Encouragement	10,185.56	(10,185.56)	-	-	-	-
Total other financing sources (uses)	169,991.98	(169,991.98)	-	(63,661.22)	63,661.22	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	261,478.47	-	261,478.47	(51,096.82)	-	(51,096.82)
Fund balance, July 1	171,994.03	-	171,994.03	223,090.85	-	223,090.85
Fund balance, June 30	\$ 433,472.50	\$ -	\$ 433,472.50	\$ 171,994.03	\$ -	\$ 171,994.03

See accompanying Notes to the Financial Statements.

Delta Human Resource Agency
Notes to the Financial Statements
June 30, 1997, and June 30, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Delta Human Resource Agency was established in 1990 in accordance with Title 13, Chapter 26, as amended, of *Tennessee Code Annotated*. This legislation provides a regional system to deliver human resource programs in the state's counties and cities. It is governed by a 34-member board consisting of the county executives and mayors within the area the agency serves, one state senator and one state representative, whose districts lie wholly or in part within the area the agency serves, and members appointed by the county executive—one from each county served by the agency. For financial reporting purposes, the agency includes all activities over which the board of directors is financially accountable.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Fund Structure, Basis of Accounting, and Measurement Focus

The agency's financial records are maintained on the cash basis of accounting. At year-end, the books are adjusted to the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred.

The agency's accounts are organized and operated on the basis of fund types and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

The financial activities of the agency reported in the accompanying financial statements are classified into two fund types and one account group:

Governmental Fund Types

General Fund—used to account for all resources not accounted for in another fund.

Special Revenue Fund—used to account for resources received under the cost-reimbursement grant agreements.

Account Group

General Fixed Assets Account Group (GFAAG)—used to account for all the agency's fixed assets. The GFAAG is not a fund, but rather a management control and accountability listing of the agency's general fixed assets.

Fixed assets are recorded at acquisition cost and are shown as expenditures at the time of purchase. They are not depreciated. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Budgetary Process

The agency does not have an annual appropriated budget. The grant documents serve as the financial plans for budgetary purposes.

Totals (Memorandum Only)

The total columns of the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

NOTE 2. CONTINGENCIES

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

Sick Leave - The agency records the cost of sick leave when paid; therefore, there is no liability in the accompanying financial statements for unpaid accumulated sick leave. Since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness, injury, or related family death, there is no liability for sick leave at June 30. The amount of unused sick leave was \$27,532.31 at June 30, 1997, and \$19,629.98 at June 30, 1996.

NOTE 3. DEPOSITS

Deposits with financial institutions are required to be categorized to indicate the level of risk assumed by the agency. Category 1 consists of deposits that are insured or collateralized with securities held by the agency or by its agent in the agency's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institution's trust department or agent in the agency's name. Category 3 deposits are uncollateralized. This category includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the agency's name.

At June 30, 1997, the carrying amount of the agency's deposits was \$307,403.50 and the bank balance was \$454,081.49. The entire bank balance was category 1.

At June 30, 1996, the carrying amount of the agency's deposits was \$161,611.55 and the bank balance was \$210,981.67. The entire bank balance was category 1.

NOTE 4. INTERFUND RECEIVABLE/PAYABLE ACCOUNTS

These accounts represent the amount owed the general fund by the special revenue fund because operating cash had been transferred to the special revenue fund to cover its negative cash balance at year-end.

NOTE 5. FIXED ASSETS

The following changes in general fixed assets occurred during the year ended June 30, 1997:

Balance

Balance

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

	<u>July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1997</u>
Furniture and equipment	\$ 69,199.63	\$ 65,317.90	\$ -	\$134,517.53
Vehicles	<u>293,241.65</u>	<u>127,481.69</u>	<u>-</u>	<u>420,723.34</u>
Totals	<u>\$362,441.28</u>	<u>\$192,799.59</u>	<u>\$ -</u>	<u>\$555,240.87</u>

The following changes in general fixed assets occurred during the year ended June 30, 1996:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Furniture and equipment	\$54,069.63	\$ 15,130.00	\$ -	\$ 69,199.63
Vehicles	<u>19,031.00</u>	<u>293,241.65</u>	<u>19,031.00</u>	<u>293,241.65</u>
Totals	<u>\$73,100.63</u>	<u>\$308,371.65</u>	<u>\$ 19,031.00</u>	<u>\$362,441.28</u>

NOTE 6. RESERVED FUND BALANCE

The reserved fund balance as of June 30, 1997, was \$204,850.35. This amount includes \$10,185.56 on June 30, 1997, of funds for the Housing Opportunities Using State Encouragement (HOUSE) program. These HOUSE program funds are remittances from clients that the agency must use for rehabilitation or as down payment costs for future grant periods.

The second component of the reserved fund balance was the accumulation of TennCare transportation revenues and other third-party payers for the payment of Transportation costs. At June 30, 1997, a reserve of \$194,611.62 was established to fund future Rural Transportation program costs.

The third component of the reserved fund balance at June 30, 1997, was \$53.17 for prepaid items. This consisted of prepayment for the fiscal year for a post office box in Covington, Tennessee.

The reserved fund balance as of June 30, 1996, was \$53.17 representing \$53.17 of prepaid items.

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

NOTE 7. OPERATING LEASES

The agency leases office space to carry out its activities and to administer the various grant programs. The lease, which expires June 30, 1997, requires monthly rental payments of \$1,480.00. During the year ended June 30, 1997, the agency rented 3,750 square feet of office space at a cost of \$17,760.00. Payments for other leases during the year totaled \$22,789.03.

During the year ended June 30, 1996, the agency rented office space at a cost of \$17,760.00. Payments for other leases during that year totaled \$17,102.11.

All leases are cancelable at the agency's option.

NOTE 8. LEASEHOLD IMPROVEMENTS

During the year ended June 30, 1997, the agency expended \$722.25 for leasehold improvements. Expenditures of \$722.25 were payments for the Public Transportation for Nonurbanized Areas Program's building, painting, and repairing. The agency leases the building in which the dispatch offices of the program are located in Covington, Tennessee.

During the year ended June 30, 1996, the agency did not expend any funds for leasehold improvements.

NOTE 9. DEFINED BENEFIT PENSION PLAN

During the year ended June 30, 1997, the agency implemented GASB Statement 27, "Accounting for Pensions by State and Local Government Employers." In accordance with that statement, at transition it was determined that a pension liability or asset does not exist for the plan.

A. Plan Description

Full-time employees of Delta Human Resource Agency are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS administers a defined benefit pension plan that provides retirement, death, and disability benefits as well as cost-of-living adjustments to plan members and beneficiaries. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Amendments to TCRS are not applicable to a political subdivision unless approved by the political subdivision's governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Department of the Treasury, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville Tennessee 37243-0230 or by calling (615)741-8202, ext. 139.

B. Funding Policy

The Delta Human Resource Agency is contributory whereby most employees contribute 5% of earnable compensation, and the employer is responsible for the remaining contribution. A small number of employees in special classifications are required to contribute at a higher rate.

The Delta Human Resource Agency is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 1997, was 5.71% of annual covered payroll. The contribution requirements of plan members are set by state statute and approved by the political subdivision's governing board. Contribution requirements for Delta Human Resource Agency are established and may be amended by the TCRS Board of Trustees.

C. Annual Pension Cost

Delta Human Resource Agency's annual pension cost of \$21,136.45 for fiscal year ending June 30, 1997, met the agency's required contributions.

The required contribution was determined as part of the June 30, 1995, actuarial valuation using the frozen initial liability actuarial cost method, a projected benefit cost method. Significant actuarial assumptions used include (a) rate of return on investment of present and future assets of 8% a year compounded annually, (b) projected salary increases of 7% a year (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries) compounded annually, (c) projected 6% annual increase in the social security wage base, and (d) projected post-

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

retirement benefit increases of 3% of the retiree's initial benefit. The actuarial value of the agency's assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. Amortized book value is used for fixed income securities. The agency's unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll on a closed basis. The remaining amortization period at June 30, 1995, was 29 years.

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/97	\$21,136.45	100.00%	\$0.00

Information is shown only for the year available. Information for additional years will be shown as it becomes available.

NOTE 10. RISK MANAGEMENT

The agency participates in the Tennessee Municipal League (TML) Risk Management Pool for the following risks of loss: commercial general liability; theft of, damage to, or destruction of real and personal property; employee dishonesty; bodily injury, property damage, physical damage, and personal injury liability for vehicle operation; and workers' compensation and employer's liability. The agency's agreement with the TML Risk Management Pool provides for payment of annual premiums. The agreement also provides for refunds to members and additional member assessments. Additional member assessments are based on the experience of the pool. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The agency elected to provide basic health, dental, life, accident, and cancer insurance coverage for its employees through commercial insurance policies. The agency's obligation for all coverage selected by employees is limited to \$75 per month per employee.

NOTE 11. DONATED SERVICES

Delta Human Resource Agency
Notes to the Financial Statements (Cont.)
June 30, 1997, and June 30, 1996

Some equipment purchases for the program are done through the use of Section 18 funds, in which the grantee pays 10% of the costs. Section 18 purchases are recorded as donations on the agency's financial statements for the amount that is funded by the Department of Transportation.

For the year ended June 30, 1997, the agency recorded \$31,460.00 as contributions from the use of Section 18 funds.

For the year ended June 30, 1996, the agency recorded \$191,822.50 as contributions from the use of Section 18 funds.

On January 23, 1996, the Fayette, Lauderdale, and Tipton County Executives petitioned the Tennessee Department of Transportation to transfer the Public Transportation for Nonurbanized Areas Program from the Metro Inter-Faith Association, Inc. (MIFA) to Delta Human Resource Agency, effective July 1, 1996. This request was awarded on February 23, 1996.

**Delta Human Resource Agency
Required Supplementary Information
Schedule of Funding Progress for
Delta Human Resources Agency**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Funding Excess) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/95	\$35	\$49	\$14	71.44%	\$252	5.57%

Changes in Actuarial Assumptions

An actuarial valuation will be performed as of June 30, 1997, which will establish subsequent contribution rates. As a result of the June 30, 1996, experience study, significant actuarial assumptions used in the valuation included (a) rate of return on investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 5.5% a year (no explicit assumption is made regarding the portion attributable to the effect of inflation on salaries) compounded annually, (c) projected 4.5% annual social security wage base, and (d) projected post-retirement benefit increases of 3% of the retiree's initial benefit. The actuarial assumptions set out in (a), (b), and (c) above for the June 30, 1997, valuation differ from the assumptions used in the June 30, 1995, valuation. The June 30, 1997, actuarial valuation will also utilize a different methodology for the actuarial value of assets. The actuarial value of assets will be determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period.

Delta Human Resource Agency
Schedule of Expenditures of Federal Awards-Cost-Reimbursement Assistance
For the Year Ended June 30, 1997

Federal or Nonfederal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Grant Number	Balance July 1, 1996	Cash Receipts	Transfers In	Other Additions	Expenditures (1)	Paid to Grantor	Transfers Out	Other Deductions	Balance June 30, 1997
U.S. Department of Agriculture: Pass-Through Program From: Tennessee Department of Human Services Summer Food Service Program for Children	10.559	30027	\$ (0.31)	\$ -	\$ -	0.31	\$ -	\$ -	\$ -	-	-
	10.559	30027	(11,269.00)	19,812.00	-	-	8,543.00	-	-	-	-
	10.559	30027	-	10,545.00	-	-	22,091.00	-	-	-	(11,546.00) (2)
Subtotal - 10.559			(11,269.31)	30,357.00	-	0.31	30,634.00	-	-	-	(11,546.00)
Pass-Through Program From: Tennessee Department of Agriculture Emergency Food Assistance Program (Administrative Costs)	10.568	Z-6-077173-6-00	(2,878.75)	11,859.30	-	-	8,980.55	-	-	-	-
	10.568	Z-97-081320-00	-	19,335.61	-	-	23,848.76	-	-	-	(4,513.15) (2)
Subtotal - 10.568			(2,878.75)	31,194.91	-	-	32,829.31	-	-	-	(4,513.15)
Total U.S. Department of Agriculture			(14,148.06)	61,551.91	-	0.31	63,463.31	-	-	-	(16,059.15)
U.S. Department of Housing and Urban Development Pass-Through Program From: Tennessee Housing Development Agency HOME Investment Partnerships Program	14.239	HM-93-003	-	27,522.08	-	-	27,522.08	-	-	-	-
	14.239	HM-95-007	-	170,060.45	-	-	193,615.47	-	-	-	(23,555.02) (2)
Total U.S. Department of Housing and Urban Development			-	197,582.53	-	-	221,137.55	-	-	-	(23,555.02)
U.S. Department of Transportation: Pass-Through Program From: Tennessee Department of Transportation Public Transportation for Nonurbanized Areas	20.509	Z-97-078752-00	-	290,056.61	-	-	315,822.67	-	-	-	(25,766.06) (2)
Total U.S. Department of Transportation			-	290,056.61	-	-	315,822.67	-	-	-	(25,766.06)
U.S. Department of Energy: Pass-Through Programs From: Tennessee Department of Human Services Weatherization Assistance for Low Income Persons	81.042	GR-4-09061-4-01	68.12	-	-	-	-	68.12	-	-	-
	81.042	GR-5-09655-5-04	(22,353.93)	23,166.88	-	-	812.95	-	-	-	0.00
	81.042	Z-97-079269-00	-	32,567.32	3,218.00	-	98,900.73	-	-	-	(63,115.41)
	81.042	(Advance Payable)	6,472.00	-	-	-	-	-	3,218.00	-	3,254.00
Total U.S. Department of Energy			(15,813.81)	55,734.20	3,218.00	-	99,713.68	68.12	3,218.00	-	(59,861.41)

Delta Human Resource Agency
Schedule of Expenditures of Federal Awards-Cost-Reimbursement Assistance
For the Year Ended June 30, 1997

Federal or Nonfederal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Grant Number	Balance July 1, 1996	Cash Receipts	Transfers In	Other Additions	Expenditures (1)	Paid to Grantor	Transfers Out	Other Deductions	Balance June 30, 1997
Federal Emergency Management Agency:											
Emergency Food and Shelter National Board Program	83.523	14-7718-00	-	5,793.12	-	-	5,659.81	133.31	-	-	-
	83.523	14-7794-00	142.35	6,922.26	-	-	7,064.61	-	-	-	0.00
	83.523	15-7718-00	-	12,371.00	-	-	7,841.15	-	-	-	4,529.85 (4)
	83.523	15-7794-00	-	16,113.00	-	-	10,979.27	-	-	-	5,133.73 (4)
Total Federal Emergency Management Agency			<u>142.35</u>	<u>41,199.38</u>	<u>-</u>	<u>-</u>	<u>31,544.84</u>	<u>133.31</u>	<u>-</u>	<u>-</u>	<u>9,663.58</u>
U.S. Department of Health and Human Services											
Pass-Through Programs From:											
Tennessee Department of Human Services											
Low-Income Home Energy Assistance	93.568	Z-2-56465-2-00	1,512.00	-	-	-	-	1,512.00	-	-	-
	93.568	GR-5-09548-5-00	3.38	-	-	-	-	3.38	-	-	-
	93.568	GR-5-09548-5-04	(12,702.00)	12,484.93	-	4,028.46	-	2,671.20	-	-	1,140.19 (5)
	93.568	Z-97-079289-00	-	357,516.06	-	-	417,750.87	-	-	-	(60,234.81) (2)
Subtotal - 93.568			<u>(11,186.62)</u>	<u>370,000.99</u>	<u>-</u>	<u>4,028.46</u>	<u>417,750.87</u>	<u>4,186.58</u>	<u>-</u>	<u>-</u>	<u>(59,094.62)</u>
Community Services Block Grant	93.569	GR-5-09620-5-07	(33,546.81)	33,545.55	-	43.40	42.14	-	-	-	-
	93.569	Z-97-079248-00	-	153,619.72	-	-	222,134.52	-	-	-	(68,514.80) (2)
	93.569	(Advance Payable)	13,181.00	-	-	-	-	-	-	-	13,181.00 (3)
Subtotal - 93.569			<u>(20,365.81)</u>	<u>187,165.27</u>	<u>-</u>	<u>43.40</u>	<u>222,176.66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,333.80)</u>
Total U.S. Department of Health and Human Services			<u>(31,552.43)</u>	<u>557,166.26</u>	<u>-</u>	<u>4,071.86</u>	<u>639,927.53</u>	<u>4,186.58</u>	<u>-</u>	<u>-</u>	<u>(114,428.42)</u>
Total Federal Awards - Cost- Reimbursement Assistance			<u>\$ (61,371.95)</u>	<u>\$ 1,203,290.89</u>	<u>\$ 3,218.00</u>	<u>\$ 4,072.17</u>	<u>\$ 1,371,609.58</u>	<u>\$ 4,388.01</u>	<u>\$ 3,218.00</u>	<u>\$ -</u>	<u>\$ (230,006.48)</u>

Notes:

- (1) This schedule reflects only the grantor's share of the expenditures.
- (2) This balance represents an amount due from the grantor. The total amount due from grantor was \$257,245.25 as of June 30, 1997. See Exhibit A.
- (3) This balance represents an advance payable to the grantor. The total amount of advances payable in the special revenue fund was \$16,435.00 as of June 30, 1997. See Exhibit A.
- (4) This balance represents unearned grantor revenue. The total amount of unearned grantor revenue was \$9,663.58 as of June 30, 1997. See Exhibit A.
- (5) This balance represents Low Income Home Energy Assistance Program refunds due to the grantor. The total amount due to grantor was \$1,140.19 as of June 30, 1997. See Exhibit A.

Delta Human Resource Agency
Schedule of Expenditures of Federal Awards-Performance Based Assistance
For the Year Ended June 30, 1997

Federal or Nonfederal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Grant Number	Balance July 1, 1996	Cash Receipts	Transfers In	Other Additions	Amount Earned	Paid to Grantor	Transfers Out	Other Deductions	Balance June 30, 1997
U.S. Department of Health and Human Services:											
Pass-Through Program From:											
Tennessee Department of Human Services											
Child Care Broker Program	93.560										
	93.574										
	93.575										
	93.667	GR-3-08103-3-00	\$ 18.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 18.00	\$ 0.00	\$ 0.00	\$ 0.00
		GR-3-08103-3-05	(9,681.95)	19,433.79	0.00	0.00	9,751.84	0.00	0.00	0.00	0.00
		GR-3-08103-3-09	0.00	95,196.07	0.00	0.00	109,990.21	0.00	0.00	0.00	(14,794.14) (1)
		(Advance Payable)	36,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,000.00 (2)
Total Federal Performance-Based Assistance			\$ <u>26,336.05</u>	\$ <u>114,629.86</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>119,742.05</u>	\$ <u>18.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>21,205.86</u>

Notes:

- (1) This balance represents an amount due from performance-based grants. The total amount due from performance-based grants was \$14,794.14 as of June 30, 1997. See Exhibit A.
- (2) This amount represents an advance payable to the grantor. The total amount of advances payable in the general fund was \$36,000.00 as of June 30, 1997. See Exhibit A.

Delta Human Resource Agency
Schedule of Expenditures of Federal Awards-Noncash Assistance (1)
For the Year Ended June 30, 1997

Federal or Nonfederal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Grant Number	Balance July 1, 1996	Receipts	Transfers In	Other Additions	Expenditures/ Issues	Paid to Grantor	Transfers Out	Other Deductions	Balance June 30, 1997
U.S. Department of Agriculture: Pass-Through Program From: Tennessee Department of Agriculture Emergency Food Assistance Program (Food Commodities)	10.569	Z-6-077173-6-00 Z-97-081320-000	\$ 13,621.65 0.00	\$ 0.00 33,370.05	\$ 0.00 1,330.23	\$ 6.26 84.85	\$ 12,297.08 29,535.11	\$ 0.00 0.00	\$ 1,330.23 0.00	\$ 0.60 0.00	\$ 0.00 5,250.02
Total Noncash Assistance			\$ <u>13,621.65</u>	\$ <u>33,370.05</u>	\$ <u>1,330.23</u>	\$ <u>91.11</u>	\$ <u>41,832.19</u>	\$ <u>0.00</u>	\$ <u>1,330.23</u>	\$ <u>0.60</u>	\$ <u>5,250.02</u> (2)

Notes:

- (1) This schedule represents the fair value of noncash assistance.
- (2) This balance represents the undistributed noncash assistance as of June 30, 1997.

Delta Human Resource Agency
Note to the Schedules of Expenditures of Federal Awards
June 30, 1997

BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards include the federal grant activity of Delta Human Resource Agency and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Delta Human Resource Agency
Schedule of Indirect Costs
For the Year Ended June 30, 1997**

Salaries	\$ 95,106.75
Fringe benefits	17,043.65
Travel	2,365.29
Supplies and printing	3,936.75
Telephone	1,112.09
Insurance	69.00
Utilities	720.81
Rent	5,228.99
Postage	529.21
Maintenance	32.50
Contracted services	4,683.84
Memberships	37.50
Training and seminars	<u>729.80</u>
Total	<u>\$ 131,596.18</u>

Delta Human Resource Agency
Schedule of General Fund Revenues and Expenditures
For the Year Ended June 30, 1997

	<u>Revenues</u>	<u>Expenditures</u>
Contract:		
Child Care Broker Services	\$ <u>119,742.05</u>	\$ <u>71,669.56</u>
Noncontract:		
State contribution	70,000.00	-
County per-capita	12,992.70	-
Interest income	7,622.61	-
Local contribution	6,631.35	-
Other	<u>-</u>	<u>53,832.66</u>
Total noncontract	<u>97,246.66</u>	<u>53,832.66</u>
Total	\$ <u><u>216,988.71</u></u>	\$ <u><u>125,502.22</u></u>

APPENDIX

DELTA HUMAN RESOURCE AGENCY

John Snead, Executive Director

BOARD OF DIRECTORS

Board Officers

Jeff Huffman, Tipton County Executive, Chair
Rozelle Criner, Lauderdale County Executive, Vice Chair
Billy Wilson, Treasurer

Policy Council Members

Mr. Jim Voss, Fayette County Executive	Mayor Fred Montgomery, City of Henning
Ms. Sissy Sterling Dowdle, Fayette County	Mr. Charles Cutlip, Lauderdale County
Ms. Carliss Maclin, Representative Member, Fayette County	Mr. Robert Noell, Tipton County

Other Members of the Board of Directors

Fayette County

Mayor Lisa Tapp, Braden
Mayor Larry D. Fisher, Gallaway
Mayor Jill Cox, La Grange
Mayor William Mullins, Oakland
Mayor Calvin “Red” Oliver, Moscow
Mayor James C. Gaither, Sr., Rossville
Mayor Bob Doll, Somerville
Mayor Luther Cannon, Williston
Mayor John Huffman, Piperton
Mayor David Shelton, Hickory White

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Mayor Russell Bailey, Covington
Mayor John Chorley, Munford
Mayor Sue Smith, Garland
Mayor Charles Walker, Atoka
Mayor Jimmy Burlison, Burlison
Mayor Joe D. Ward, Mason
Mayor Dewayne Huffman, Gilt Edge
Mayor Gus Smith, Brighton
Ms. Patsy Fee, Representative Member

Lauderdale County

Mayor Eugene Pugh, Halls
Mayor Brenda Carter, Gates
Mayor Richard Douglas, Ripley
Michael “Mike” Moore, Representative Member

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Senator Tom Leatherwood, Millington
Representative James O. Naifeh, Covington